



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Notice Of Application No. 99-03-013 From Pacific Gas & Electric (PG&E) Company Submitting Cost And Rate Proposals On Electric Revenue Cycle Services To Comply With A CPUC Order

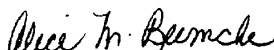
MEETING DATE: July 21, 1999

PREPARED BY: City Clerk

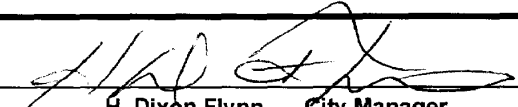
RECOMMENDED ACTION: Information only, no action required.

BACKGROUND INFORMATION: The City Clerk's Office has received a notice of Application No. 99-03-013 from Pacific Gas & Electric (PG&E) Company submitting cost and rate proposals on electric revenue cycle services to comply with a CPUC Order (Exhibit A). This is information only, no Council action is required.

FUNDING: None


Alice M. Reimche
City Clerk

APPROVED:


H. Dixon Flynn -- City Manager



**Pacific Gas and
Electric Company**

RECEIVED
Time _____

JUN 30 1999

Alice M. Reimche
City Clerk
City of Lodi

June 24, 1999

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EXHIBIT A

TO STATE, COUNTY AND CITY OFFICIALS:

The following notice is given at the direction of the California Public Utilities Commission in the "Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge" dated May 25, 1999. This notice is provided in accordance with the requirements of Rule 24 of the CPUC's Rules of Practice and Procedure.

Notice of Application Submitting Electric Revenue Cycle Services Proposals

Pacific Gas and Electric Company (PG&E) filed Application No. 99-03-013 with the California Public Utilities Commission (CPUC) on March 5, 1999, submitting cost and rate proposals on electric revenue cycle services to comply with a CPUC order. If any proposals are approved by the CPUC, rate changes will become effective in the year 2000.

WHAT PG&E HAS SUBMITTED

Currently, PG&E pays credits where customers take electric revenue cycle services — that is, meter ownership, meter services, meter reading, or billing — from an energy service provider rather than from PG&E. The amount of each credit is equal to the cost that PG&E avoids because another company is providing the service. PG&E pays the credits to customers, except that credits are paid to energy service providers who send their customers bills that include PG&E's charges.

The amounts of the credits were set by the CPUC in Decision No. 98-09-070, which also ordered PG&E to submit proposals that would change the credits in the following three ways: (1) PG&E would bill all customers for basic services and add charges for revenue cycle services provided by PG&E, instead of billing all customers for all services and paying credits where electric revenue cycle services are not provided by PG&E; (2) PG&E would price electric revenue cycle services at costs to be incurred over the long run, instead of at avoided costs; and (3) PG&E would calculate the costs of electric

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revenue cycle services and other distribution services by geographic zones, instead of averaging costs over the entire area that PG&E serves.

Although PG&E's March 5 application contained the ordered proposals, PG&E requests that the CPUC not approve them. Instead, PG&E recommends that the CPUC continue to price electric revenue cycle services through credits equal to PG&E's avoided costs. If the CPUC approves the proposals submitted by PG&E, then the current monthly residential electric revenue cycle services amounts will change as follows under the long-run cost proposal:

Meter Reading (electric and gas site): from \$0.21 to \$0.22

Meter Reading (electric-only site): from \$0.71 to \$0.75

Billing (electric-only account): from \$0.83 to \$0.90

The amounts will change as follows under the geographic zone proposal:

Meter Reading (electric-only site): from \$0.71 to \$0.44 (high density),
\$0.69 (medium density), and \$1.29 (low density)

The electric revenue cycle service amounts will change based on studies of costs associated with each rate schedule.

PUBLIC HEARINGS

Before acting on PG&E's application, the CPUC may hold public participation hearings to provide customers an opportunity to express their views. The CPUC welcomes the public's participation. If you can't attend a hearing, you may submit written comments to the CPUC at the address listed below. Mention that you are writing about PG&E's Application No. 99-03-013.

Formal hearings on PG&E's application also will be held. They are scheduled to begin at 10:00 a.m. on November 16, 1999, continuing as needed weekdays through November 24, 1999, at the CPUC's offices at 505 Van Ness Avenue in San Francisco. Participants at these hearings may offer proposals that differ from those of PG&E. In addition, during the proceedings, updated information may be introduced that could change the amount of the rate changes requested. After considering all proposals presented during the hearing process, the CPUC will issue a decision. Rates adopted by the CPUC may differ from those submitted by PG&E, and may result in an increase or decrease in individual rates.

If you want to participate in this proceeding and have any questions, please contact The Public Advisor's office at the address below:

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The Public Advisor
California Public Utilities Commission
505 Van Ness Avenue, Room 5303
San Francisco, CA 94102

or via electronic mail to: public.advisor@cpuc.ca.gov

Mention you are writing about PG&E's Application No. 99-03-013 and indicate if you would like a written response, otherwise no reply will be sent. Your letter will be sent to the Commissioners and become part of the formal correspondence file for this application.

FOR FURTHER INFORMATION

You may obtain a copy of this application and related exhibits by writing to: PG&E, P.O. Box 7442, San Francisco, CA 94120, Attention: RCS Proposals. Copies are available for review at our corporate headquarters (77 Beale Street, Room 3120, San Francisco, CA 94105), at any of our division offices, or at the San Francisco office of the CPUC.

PACIFIC GAS AND ELECTRIC COMPANY

By: 

Steven W. Frank